

Historic, Archive Document

Do not assume content reflects current scientific knowledge, policies, or practices.

THE

A280.38
M34C Reserve

Market Administrator's

LIBRARY
CURRENT SERIAL RECORD

SEP 25 1959

BULLETIN

Fred W. Linder
MARKET ADMINISTRATOR

Published at 79 East State Street, Columbus 15, Ohio

ISSUED FOR PRODUCERS WHO ARE NOT MEMBERS OF COOPERATIVE ASSOCIATIONS

August, 1959

Vol. 15, No. 8

Volume of Frozen Desserts

Increased Substantially

In the last three or four decades production and consumption of frozen dairy desserts in the United States have shown a greater increase than any other major dairy product. This increase is the result of a substantially different pattern of distribution outlets in the United States and the apparent tendency for ice cream consumption to respond more to income changes than do most dairy products.

Innovations in the way of improvements in distribution include (1) making ice cream readily available in food stores and other outlets, in contrast to the neighborhood drug store of a few decades ago, and (2) supplying frozen desserts through roadside stands, outlets in factory buildings, and office buildings, and substantial amounts through mobile units. Consumers have been able to respond to the increased offerings since their real incomes in total have more than doubled over the past three decades. Moreover, with larger refrigeration facilities in their homes they can use the larger packages. With more competition in frozen dessert distribution there has been some relative lowering in retail prices.

Two rather recent additions to the frozen dessert family are ice milk and "mellorine". Ice milk is the item frequently available as a "soft product" in roadside stands and drive-ins. In 1957 about 40 percent of the ice milk was sold as a soft product and 60 percent as a hard frozen product. This is in sharp contrast to ice cream, for which only 2 percent of the volume was sold as a soft item. Mellorine was first made in Texas

and Oklahoma in the early 1950's, and legislative changes since then have been made to permit its manufacture and distribution in several additional States. As of June, 1959, a total of 12 States permitted production and distribution of mellorine; total population of these States as of July 1, 1958 was 53.4 million, 30.8 percent of the U. S. total. As shown by the data, increased production of ice milk and mellorine have been more in the nature of additions to the total frozen dessert market than replacements for ice cream, though probably ice cream consumption per person would have increased more rapidly if these newly added products had not become available. The combined product weight of all frozen desserts reached a new record of 24.5 pounds in 1958. The record high for ice cream itself was reached in 1946, at 23.1 pounds, compared with 18 pounds in 1958. The sharp upturn in 1946 followed the relaxing of restrictions concerning use of sugar in making ice cream, as well as the use of milk solids for the purpose. With a shortage of durable goods for people to buy, the de-

(Continued on page four)

ANOTHER INCREASE IN LIVESTOCK PRODUCTION IN PROSPECT FOR 1959-60

A further increase in livestock numbers and production is in prospect for 1959-60. The number of grain-consuming animal units is expected to rise to 178 million, 3.5 percent more than in 1958-59 and the highest on record excepting the two war years 1942 and 1943. This would be an increase of 10 percent from the 1957-58 level and would be 16 percent above the postwar low reached in 1947-48.

The increase in livestock numbers in 1958-59 was accompanied by heavy feeding per animal. The rate of feeding for the 1958-59 season is now estimated at .89 tons per animal unit, slightly higher than the .87 tons in 1957-58 and 10 percent above the 1953-57 average. The rate of feeding in 1958-59 is at a record high in spite of the better quality of the 1958 corn and sorghum grain crops and generally lower livestock prices relative to feed prices than in 1957-58. The feeding rate in 1959-60 probably will decline from the record level this year, if the quality of the 1959 feed grain crops is average or better. But the trend has been toward liberal feeding of livestock, especially cattle, and increased output per animal which is expected to maintain the feeding rate above the 5 year average.

Much of the increase in the number of animal units in 1959-60 will be in hogs. The 1959 spring pig crop was 12 percent larger than the same crop of last

(Continued on page four)



Columbus

MARKET FACTS FOR EASY REFERENCE

PRICE SUMMARY

	July 1959	June 1959	July 1958
Producers' Uniform Price (3.5%)	\$3.76	\$3.62	\$3.51
Producers' Uniform Price (4%)	4.125	3.98	3.855
Class I (3.5%)	4.293	4.307	4.079
Class II (3.5%)	3.893	3.907	3.679
Class III (3.5%)	3.499	3.493	3.279
Class IV (3.5%)	2.879	2.873	2.856
Producer Butterfat Differential for each 1/10%	7.3¢	7.2¢	6.9¢

UTILIZATION SUMMARY

Percent of Producer Milk in Class I	79.6	69.8	72.0
" " " B.F. " " I	78.2	69.1	71.1
" " " Milk " " II	8.3	7.9	8.8
" " " B.F. " " II	2.5	2.5	2.6
" " " Milk " " III	4.1	4.0	11.0
" " " B.F. " " III	6.2	6.0	15.6
" " " Milk " " IV	8.0	18.3	8.2
" " " B.F. " " IV	13.1	22.4	10.7

PRODUCTION SUMMARY

Total Pounds of Producer Milk Delivered	26,599,943	29,782,303	25,099,314
Average Daily Class I Producer Milk	682,833	692,796	582,945
Total Number of Producers	1,749	1,760	1,808
Average Daily Production per Producer	491	564	448
Average Butterfat Test	3.67	3.64	3.67
Total Value of Producer Milk at Test	\$1,123,999.87	\$1,213,036.61	\$996,285.02
Income per Producer (7 Day Average)	\$145.12	\$160.82	\$124.43

GROSS CLASS USE (Pounds)

Class I Skim	20,403,867	20,033,772	17,532,591
" I B.F.	763,947	750,110	656,084
" I Milk	21,167,814	20,783,882	18,188,675
" II Skim	2,278,887	2,323,255	2,184,859
" II B.F.	24,762	26,841	23,524
" II Milk	2,303,649	2,350,096	2,208,383

AVERAGE DAILY SALES (Quarts)

Milk	277,560	283,751	238,859
Buttermilk	7,468	7,199	6,615
Chocolate	13,365	13,845	9,663
Skim	10,694	11,244	8,355
Cream	7,682	8,309	6,944

COMPARATIVE STATISTICS ★

COLUMBUS MARKETING AREA

★ **JULY, 1950-59**

Year	Receipts from Producers	Average Butter- fat Test	Percentage of Producer Milk in Each Class				Uniform Producer Price (3.5%)	Class prices at 3.5%				Number of Producers	Daily Average Production
			Class I	Class II	Class III	Class IV		Class I	Class II	Class III	Class IV		
1950.....	19,642,675	3.96	62.4	27.3	10.3	---	3.54	3.716	3.316	2.99	---	2,101	302
1951.....	20,995,972	3.87	62.4	28.4	9.3	---	4.15	4.366	3.967	3.499	---	2,113	320
1952.....	20,273,501	3.83	68.9	27.5	3.6	---	4.47	4.949	4.549	3.803	---	2,121	308
1953.....	22,845,408	3.79	68.9	23.0	8.1	---	4.03	4.573	4.173	3.427	---	2,223	331
1954.....	23,554,889	3.76	67.6	7.8	14.8	9.8	3.53	4.20	3.80	3.22	3.05	2,158	352
1955.....	24,524,882	3.69	67.9	8.0	12.2	11.9	3.64	4.282	3.883	3.315	3.137	2,086	379
1956.....	25,619,223	3.74	67.7	8.8	10.6	12.9	3.84	4.602	3.942	3.372	3.197	2,044	404
1957.....	25,721,802	3.66	72.3	8.2	14.9	4.6	3.79	4.379	3.979	3.479	3.057	1,906	435
1958.....	25,099,314	3.67	72.0	8.8	11.0	8.2	3.51	4.079	3.679	3.279	2.856	1,808	448
1959.....	26,599,943	3.67	79.6	8.3	4.1	8.0	3.76	4.293	3.893	3.499	2.879	1,749	491

Milk Production Continuing Near Level of 1958

Production of milk shows little change so far this year, compared with a year earlier. Output at the beginning of 1959 was below 1958, by April it practically equaled that of a year earlier, but in May dipped below last year by 1 percent, reflecting slow developing pastures this spring in northern areas. For the first 5 months production in 1959 was lower than a year earlier by 229 million pounds, a reduction of 0.4 percent.

Production in January, 1958 exceeded production in 1957. But from February through August the 1958 level was below 1957. For the period January-August as a whole, 1958 output was lower than a year earlier by 1,039 million pounds. For the period September-December, on the other hand, output exceeded the 1957

level by 336 million pounds, accounting for the decline of 703 million for 1958 as a whole.

Factors which will tend to bring about larger milk production than a year earlier during the second half of 1959 are: (1) prospects for lower hog prices than in 1958; (2) the likelihood of lower grain prices and the possibility of lower protein meal prices, and (3) the long-term change in seasonal pattern of milk production which has brought proportionately more milk in the closing months of each calendar year.

Lower support levels for oats, barley and sorghum grains become effective with this year's harvest. However, market prices may not decline the full extent of the reduction in supports because

average support prices for corn will be near those of a year earlier, and production of these small feed grains likely will be below last year's comparatively large crops. Nevertheless, the prospect for some reduction in the price of concentrates for dairy feeding will result in a somewhat more favorable milk-feed price relationship. Pasture conditions improved considerably in late May and as of June 1 were nearly as favorable as a year earlier. Recent rains in the upper North Central States brought moisture relief to one area of the country that was threatened by drought. As long as pasture conditions in all areas continue normal or better, the prospect for milk production through this summer will be near that of a year earlier.

Private Holdings of Butter and American Cheese Higher

Since there was no change in the support levels or purchase prices for butter, American cheese and nonfat dry milk as of April 1 this year, there was no reason to reduce commercial stocks by March 31 through sales to CCC. In 1958, with a downward price adjustment as of April 1, sales to CCC were heavy through March 31 and comparatively light through much of April. As of the end of April, and apparently continuing through May this year, commercial holdings of butter and American cheese exceeded those of a year earlier. Holdings of evaporated milk about equaled those of a year earlier. But manufacturers' stocks of condensed and dry whole milk were substantially under 1958. Holdings

of nonfat dry milk were smaller in the first three months of 1959, but as of the end of April these had increased to a level above a year earlier.

Compared with purchases in April, 1958, purchases of butter for the first three weeks of April this year were larger, and cheese purchases were larger for the first six weeks. These larger purchases do not indicate a larger surplus situation than prevailed a year earlier. Rather, as already indicated, they reflect a more orderly transition from one marketing year to the next than that of 1958. From the third week of April to date, weekly butter purchases have averaged under a year earlier, but the cumulative purchases through May this year total

40.4 million pounds, compared with 38.8 million in April and May, 1958. With butter production down, CCC purchases may be smaller during the remainder of the marketing year.

Cheese purchases dropped greatly from 1957-58 marketing year to the 1958-59 marketing year — from 248 million pounds to 35 million pounds. In April and May this year purchases of American cheese by the CCC approximately equaled those of a year earlier. The relationship with 1958 fluctuated somewhat among the weeks. With continued high consumption of American cheese, the surplus of cheese probably will be near last year's comparatively small level of purchases.

RETURN POSTAGE
GUARANTEED

THE Market Administrators' BULLETIN

Library
U. S. Department of Agriculture
Washington 25 D. C.
6



SEC. 3466 P.L.A.R.

BE STRONGER
LIVE LONGER
DRINK MILK

Volume of Frozen Desserts Increased Substantially (Continued from page one)

mand for ice cream increased markedly in that year. Later it declined, but it has continued above the pre-World War II level.

A significant element of merchandising frozen desserts is offering them to consumers throughout the year, placing these items in the "food" category rather than that of the standard luxury or special-treat. Proportionately more ice cream is now produced in the fall and winter than previously. The seasonal pattern of variation is much less pronounced for ice cream than for the other three products — ice milk, sherbet, and mellorine. The most pronounced seasonal variation is in sherbet, followed by ice milk, mellorine and ice cream, in that order.

Undoubtedly, consumption of frozen dairy desserts will show further substantial growth as consumer incomes increase and workers have more leisure time to spend at recreation locations where ice cream may be one of the products available for consumption. Further progress may be made in packaging ice cream more economically for distribution. Probably the most significant advance in this direction to date has been the packaging of "ready-packed" ice cream in half gallon containers for distribution through grocery stores and other outlets for use primarily in homes.

Market Quotations

July
1959

12 MIDWEST CONDENSERIES 3.5% per Cwt.	\$2.933
5 CONDENSERIES (Cincinnati) 3.5% per Cwt.	2.775
5 CONDENSERIES (North Central Ohio) 3.5% per Cwt.	2.792
2 CONDENSERIES (Toledo) 3.5% per Cwt.	2.794
4 CONDENSERIES (Tri-State) 3.5% per Cwt.	2.812
Evaporated Milk Code Price, 3.5% per Cwt.	2.748
Skim Milk Powder-Butter Price, 3.5% per Cwt. (Cincinnati)	3.0070
Skim Milk Powder-Butter Price, 3.5% per Cwt. (Columbus)	2.999
Skim Milk Powder-Butter Price, 3.5% per Cwt. (Dayton)	3.023
Skim Milk Powder-Butter Price, 3.5% per Cwt. (Toledo-Tri-State)	2.897
Average Weekly Cheddars price per lb.3110
Average price per lb. non-fat dry milk solids, roller process delivered Chicago13590
Average price per lb. 92-score butter at Chicago58026
Average carlot prices non-fat dry milk solids, roller and spray process, f.o.b. manufacturing plant12645

Another Increase in Livestock Production in Prospect for '59-60 (Continued from page one)

year. Producers intentions are for an 8 percent increase in farrowings this fall over last. Part of the spring crop and practically all of the fall crop will be fed out of 1959-60 feed supplies. The combined 1959 spring and fall pig crop is expected to total about 104.5 million head, 10 percent more than in 1958 and the largest since 1943.

Beef cattle numbers have been increasing in recent years and more cattle are being grain fattened for market. Liberal grain feeding has been encouraged by the favorable beef-corn price ratio. On July 1, 10 percent more cattle were on feed in 13 Corn Belt and Western States than a year ago. Last April 1 the number on feed was up 8 percent.

While the number of dairy cows has trended downward in recent years, dairy-men are feeding more grain and other concentrates per cow. This is partly the result of efforts to increase output of milk per cow, but it also reflects the favorable milk-feed price ratio of the past 2 or 3 years. On June 1, the rate of feeding per milk cow was 4 percent more than on that date in 1958 and 30 percent above the 1948-57 average. Increases from average were general throughout the country, but were greatest in the Central and Western Corn Belt and in some of the Southern States.

Poultry numbers are expected to level off in 1959-60 after increasing during the past 2 years. The less favorable egg-feed price ratio this year is resulting in a curtailment in chickens for laying flock replacements.